

General Assembly

Amendment

February Session, 2002

LCO No. 2953

SB0007502953SD0

Offered by:

SEN. DAILY, 33rd Dist.

To: Subst. Senate Bill No. 75

File No. 240

Cal. No. 180

"AN ACT AMENDING THE CHARTER OF THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY."

- Strike everything after the enacting clause and substitute the following in lieu thereof:
- 3 "Section 1. Section 1 of special act 77-98, as amended by section 5 of special act 99-12, is amended to read as follows (*Effective from passage*):
- 5 It is found and declared as a matter of legislative determination that
- 6 the creation of the South Central Connecticut Regional Water
- 7 Authority for the primary purpose of providing and assuring the
- 8 provision of an adequate supply of pure water <u>and the safe disposal of</u>
- 9 <u>wastewater</u> at reasonable cost within the South Central Connecticut
- 10 Regional Water District and such other areas as may be served
- 11 pursuant to cooperative agreements and acquisitions authorized by
- section 11 of special act 77-98, as amended by section 5 of special act
- 13 78-24 and section 3 of special act 84-46 and this act, and, to the degree
- 14 consistent with the foregoing, of advancing <u>water conservation and</u> the

15 conservation and compatible recreational use of land held by the 16 authority, and the carrying out of its powers, purposes, and duties 17 under sections 1 to 33, inclusive, of special act 77-98, as amended by 18 special act 78-24, special act 84-46 and sections 5 to 7, inclusive, of [this 19 act, are special act 99-12 and this act, and for the benefit of the people 20 residing in the South Central Connecticut Regional Water District and 21 the State of Connecticut, and for the improvement of their health, 22 safety and welfare, that said purposes are public purposes, and that 23 the authority will be performing an essential governmental function in 24 the exercise of its powers under sections 1 to 33, inclusive, of special 25 act 77-98, as amended by special act 78-24, special act 84-46 and 26 sections 5 to 7, inclusive, of [this act] special act 99-12 and this act.

Sec. 2. Section 2 of special act 77-98, as amended by section 1 of special act 78-24, is amended to read as follows (*Effective from passage*):

As used in sections 1 to 33, inclusive, of special act 77-98, as amended by [this act] special act 78-24, unless a different meaning appears in the context: "Authority" means the South Central Connecticut Regional Water Authority created by section 5 of special act 77-98, as amended by section 4 of special act 78-24 and this act; "district" means the South Central Connecticut Regional Water District created by section 3 of special act 77-98, as amended by section 2 of special act 78-24: [; "representative policy board"] "Representative policy board" means the representative policy board of the South Central Connecticut Regional Water District created by section 4 of special act 77-98, as amended by section 3 of special act 78-24; "chief executive officer" means that full time employee of the authority responsible for the execution of the policies of the authority and for the direction of the other employees of the authority; "treasurer" means the treasurer of the authority; "customer" means any person, firm, corporation, company, association or governmental unit furnished water or wastewater service by the authority or any owner of property who guarantees payment for water or wastewater service to such property; "properties" means the water supply and distribution system or systems, wastewater collection and treatment systems and other real

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or personal property of the authority; "bonds" means bonds, notes and other obligations issued by the authority; "revenues" means all rents, charges and other income derived from the operation of the properties of the authority; "wastewater" means any substance, liquid or solid, which may contaminate or pollute or affect the cleanliness or purity of any water; "water supply system" means plants, structures and other real and personal property acquired, constructed or operated for the purpose of supplying water, including land, reservoirs, basins, dams, canals, aqueducts, standpipes, conduits, pipelines, mains, pumping water distribution systems, compensating reservoirs, waterworks or sources of water supply, wells, purification or filtration plants or other plants and works, connections, rights of flowage or diversion and other plants, structures, conveyances, real or personal property or rights therein and appurtenances necessary or useful and convenient for the accumulation, supply or distribution of water; "wastewater system" means plants, structures and other real and personal property acquired, constructed or operated for the purpose of collecting, treating and discharging or reusing wastewater, whether or not interconnected, including wastewater treatment plants, pipes and conduits for collection of wastewater, pumping stations and other plants, works, structures, conveyances, real or personal property or rights therein and appurtenances necessary or useful and convenient for the collection, transmission, treatment and disposition of wastewater; "subsidiary corporation" means a corporation organized under the general statutes or by special act which owns or operates all or part of a water supply system or a wastewater system within the district and all of the voting stock of which is owned by the authority. A reference in sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24, and special act 84-46 to any general statute, public act or special act shall include any amendment or successor thereto.

Sec. 3. Section 3 of special act 77-98, as amended by section 2 of special act 78-24 and section 1 of special act 84-46, is amended to read as follows (*Effective from passage*):

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83 There is created a district to be known as the "South Central 84 Connecticut Regional Water District" which embraces the area and 85 territory of the towns and cities of Ansonia, Beacon Falls, Bethany, 86 Branford, Cheshire, Derby, East Haven, Guilford, Hamden, 87 Killingworth, Madison, Milford, New Haven, North Branford, North 88 Haven, Orange, Oxford, Prospect, Seymour, West Haven and 89 Woodbridge; provided, in the event at any time after June 30, 1982, the 90 authority shall neither own land or properties nor sell water or provide 91 wastewater services directly to customers in any city or town within 92 the district, the area and territory of such city or town thereupon shall 93 be excluded from the district.

- 94 Sec. 4. Subsection (a) of section 4 of special act 77-98, as amended by 95 section 3 of special act 78-24 and section 2 of special act 84-46, is 96 amended to read as follows (*Effective from passage*):
- 97 (a) There shall be a representative policy board of the South Central 98 Connecticut Regional Water District which shall consist of one elector 99 from each city and town within the district who shall be appointed by 100 the chief elected official of such city or town, with the approval of its 101 legislative body, and one elector of the state who shall be appointed by 102 Members shall serve for a term of three years the governor. 103 commencing July 1, except that the members first appointed shall 104 serve terms commencing July 1, 1977, and such members appointed 105 from Bethany, East Haven, Killingworth, New Haven, Orange and 106 West Haven shall serve until June 30, 1978, such members appointed 107 from Branford, Guilford, Madison, North Branford, Prospect and 108 Woodbridge shall serve until June 30, 1979, such members appointed 109 from Cheshire, Hamden, Milford, North Haven and Wallingford shall 110 serve until June 30, 1980, and the member first appointed by the 111 governor shall serve for a term commencing upon appointment and 112 ending on the third June thirtieth thereafter; provided members shall 113 continue to serve until their successors are appointed and have 114 qualified. In the event of the resignation, death or disability of a 115 member from any city or town or the state, a successor may be 116 appointed by the chief elected official of such city or town, or in the

117 case of the member appointed by the governor, for the unexpired 118 portion of the term. The chief elected official of each such city or town 119 may appoint a provisional member to serve until December 1, 1977, 120 with full authority to act as a member until said date. Members and 121 provisional members shall receive [fifty] one hundred dollars for each 122 day in which they are engaged in their duties and shall be reimbursed 123 for their necessary expenses incurred in the performance of their 124 duties. They shall elect a chairman and a vice-chairman, who shall be 125 members or provisional members of the representative policy board, 126 and a secretary. The chairman shall receive a per diem payment of 1.5 127 times the amount paid to members and provisional members. The 128 representative policy board shall meet at least quarterly with the 129 authority and such members of the staff of the authority as the 130 representative policy board deems appropriate.

Sec. 5. Section 10 of special act 77-98 is amended to read as follows (*Effective from passage*):

Whenever a public hearing is required under sections 1 to 33, inclusive, of [this act] special act 77-98, as amended by special act 78-24 and this act, notice of such hearing shall be published by the representative policy board at least twenty days before the date set therefor, in a newspaper or newspapers having a general circulation in each city and town comprising the district. Such notice shall set forth the date, time and place of such hearing and shall include a description of the matters to be considered at such hearing. A copy of the notice shall be filed in the office of the clerk of each such city and town and shall be available for inspection by the public. At such hearings, all the users of the water supply system or the wastewater system, owners of property served or to be served and other interested persons shall have an opportunity to be heard concerning the matters under consideration. When appropriate, the chairman of the representative policy board may convene more than one hearing on any matter and direct such hearings to be held in suitable locations within the district so as to assure broader participation by the general public in discussion of the matters under consideration, provided in the case of

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151 the sale or transfer of real property pursuant to section 18 of special act 152 77-98, as amended by section 7 of special act 78-24 and this act, a public 153 hearing shall be held in the city or town in which such real property is situated. Any decision of the representative policy board on matters 154 155 considered at such public hearing shall be in writing and shall be 156 published in a newspaper or newspapers having a general circulation 157 in each city and town comprising the district within thirty days after 158 such decision is made.

Sec. 6. Section 11 of special act 77-98, as amended by section 5 of special act 78-24 and section 3 of special act 84-46, is amended to read as follows (*Effective from passage*):

Subject to the provisions of sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24, special act 84-46, sections 5 to 7, inclusive, of special act 99-12, and this act, the authority shall have the power: (a) To sue and be sued; (b) to have a seal and alter the same at its pleasure; (c) to acquire in the name of the authority by purchase, lease or otherwise and to hold and dispose of personal property or any interest therein, including shares of stock of a subsidiary corporation; (d) to acquire in the name of the authority by purchase, lease or otherwise and to hold and dispose of any real property or interest therein, including water rights and rights of way and water discharge rights, which the authority determines to be necessary or convenient, and to acquire any existing wastewater system or water supply system or parts thereof which are wholly or partially within the district as described under section [1 of this act] 3 of special act 78-24, as amended by section 2 of special act 78-24, section 1 of special act 84-46 and this act. As a means of so acquiring, the authority or a subsidiary corporation may purchase all of the stock or all or any part of the assets and franchises of any existing privately owned water or wastewater company, whereupon the authority or such subsidiary corporation shall succeed to all rights, powers and franchises thereof. Sections 16-43, 16-50c and 16-50d of the general statutes shall not apply to any action by the authority or a subsidiary corporation or any action by any privately owned water company or sewage company, as

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defined in section 16-1 of the general statutes, taken to effectuate the acquisition of the stock or all or any part of the assets and franchises of such water company or sewage company by the authority, provided section 16-43 shall apply to any action taken to effectuate the acquisition of the stock or all or any part of the assets and franchises of Derby Water the Ansonia Company by the authority. Notwithstanding any provision of section 25-32 of the general statutes, land may be transferred to the authority or a subsidiary corporation of the authority as part of such an acquisition. The commissioner of health services shall not grant a permit for a change in the use of any class I or class II land owned by the Ansonia Derby Water Company on the effective date of this section and not transferred to the authority or a subsidiary corporation or a permit for the sale, lease or assignment of any such class II land, unless (1) all provisions of section 25-32 are complied with, and (2) the commissioner of health services determines, after holding a hearing, notice of which shall be published not later than thirty days before the hearing in one or more newspapers having a substantial circulation in the municipalities in which the land is located, that such change in the use or sale, lease, or assignment of the land will not have a significant adverse impact upon present and future water supply needs of the authority or a subsidiary corporation of the authority; (e) to construct and develop any water supply system or any wastewater system; (f) to own, operate, maintain, repair, improve, construct, reconstruct, replace, enlarge and extend any of its properties; (g) any provision in any general statute, special act or charter to the contrary notwithstanding, but subject to the provisions of section 12 of special act 77-98, as amended by this act, and section 28 of special act 77-98, as amended by section 9 of special act 78-24, to sell water, however acquired, to customers within the district or to any municipality or water company; (h) any provisions in any general statute, special act or charter to the contrary notwithstanding, to purchase water approved by the commissioner of health from any person, private corporation or municipality when necessary or convenient for the operation of any water supply system operated by the authority; (i) to adopt and amend bylaws, rules and regulations for

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the management and regulation of its affairs and for the use and protection of the water and properties of the authority or a subsidiary corporation and, subject to the provisions of any resolution authorizing the issuance of bonds, rules for the sale of water, the collection and processing of wastewater and the collection of rents and charges [therefore] for both water supply and wastewater functions. A copy of such bylaws, rules and regulations and all amendments thereto, certified by the secretary of the authority, shall be filed in the office of the secretary of the state and with the clerk of each town and city within the district. Any superior court located within the district shall have jurisdiction over any violation of such bylaws, rules or regulations and the authority may prosecute actions before the superior court to enforce such bylaws, rules and regulations; (j) to make contracts and to execute all necessary or convenient instruments, including evidences of indebtedness, negotiable or non-negotiable; (k) to borrow money, to issue negotiable bonds or notes, to fund and refund the same and to provide for the rights of the holders of the authority's obligations; (1) to open the grounds in any public street or way or public grounds for the purpose of laying, installing, maintaining or replacing pipes and conduits, provided upon the completion of such work the grounds shall be restored to the condition they were in previously; (m) to enter into cooperative agreements with other water authorities, municipalities, water districts, [or] water companies or water pollution control authorities within or without the district for interconnection of facilities, for exchange or interchange of services and commodities or for any other lawful purpose necessary or desirable to effect the purposes of sections 1 to 33, inclusive, of special act 77-98, as amended by special act 78-24, special act 84-46 and sections 5 to 7, inclusive, of special act 99-12, such agreements to be binding for a period specified therein; (n) to acquire, hold, develop and maintain land and other real estate and waters for conservation and for compatible active and passive recreational purposes and to levy charges for such uses, provided the state department of health finds that such uses will not harm the quality of water provided by the authority; (o) to apply for and accept grants, loans or contributions

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255 from the United States, the state of Connecticut or any agency, 256 instrumentality or subdivision of either of them or from any person, and to expend the proceeds for any of its purposes; (p) to create 257 258 programs and policies for the purpose of conserving water; (q) to do 259 any and all things necessary or convenient to carry out the powers 260 expressly given in sections 1 to 33, inclusive, of special act 77-98, as 261 amended by special act 78-24, special act 84-76, and sections 5 to 7, 262 inclusive, of special act 99-12 and this act, including the powers 263 granted by the general statutes to stock corporations, except the power 264 to issue stock, and the powers granted by the general statutes to water 265 pollution control authorities.

Sec. 7. Section 12 of special act 77-98 is amended to read as follows (Effective from passage):

The authority shall not sell water to customers in any part of the district with respect to which any person, any firm or any corporation incorporated under the general statutes or any special act has been granted a franchise to operate as a water company, as defined in section 16-1 of the general statutes, or in which any town, city or borough or any district organized for municipal purposes operates a municipal water supply system, unless the legislative body of such town, city, borough or district, such person, or the governing board of such firm or corporation shall consent in writing to such sale by the authority. The authority shall not extend wastewater services into new areas previously unserved without the approval of either the legislative body of the town, city, borough or district in which such area is located or a duly authorized water pollution control authority. Notwithstanding the provisions of any town or district charter, any town or district may sell or transfer a wastewater system to the authority with the approval of the legislative body of such town or district after a public hearing.

Sec. 8. Subsection (a) of section 13 of special act 77-98 is amended to read as follows (*Effective from passage*):

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(a) Except with respect to (1) any real or personal property or interest therein, the legal title to which is vested in the state or a political subdivision thereof, [or with respect to] (2) any existing water supply system, or (3) any existing wastewater system, if such authority cannot agree with any owner upon the terms of acquisition by the authority of any real or personal property or interest therein which the authority is authorized to acquire, the authority may proceed, at its election, in the manner provided in subsection (b) or in the manner provided in subsection (c) of this section.

Sec. 9. Section 14 of special act 77-98, as amended by section 6 of special act 78-24 and section 6 of special act 99-12, is amended to read as follows (*Effective from passage*):

With the approval of the representative policy board, the authority shall establish just and equitable rates or charges for the use of the water supply system and the wastewater system authorized herein, to be paid by any customer, and may change such rates or charges from time to time. Such water supply system rates or charges shall be established so as to provide funds sufficient in each year, with other water supply related revenues, if any, (a) to pay the cost of maintaining, repairing and operating the water supply system and each and every portion thereof, to the extent that adequate provision for the payment of such cost has not otherwise been made, (b) to pay the principal of and the interest on outstanding water supply bonds of the authority as the same shall become due and payable, (c) to meet any requirements of any resolution authorizing, or trust agreement securing, such bonds of the authority, (d) to make payments in lieu of taxes as provided in section 21 of special act 77-98, as amended by section 8 of special act 78-24 and this act, as the same become due and payable, upon the water supply system properties of the authority or of a subsidiary corporation to the municipalities in which such properties are situated, (e) to provide for the maintenance, conservation and appropriate recreational use of the land of the authority, and (f) to pay all other reasonable and necessary expenses of the authority and of the representative policy board to the extent that

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such expenses are allocable to the water supply system activities of the authority and the representative policy board. Such wastewater system rates or charges shall be established so as to provide funds sufficient in each year with other wastewater related revenues, if any, (1) to pay the cost of maintaining, repairing and operating the wastewater system and each and every portion thereof, to the extent that adequate provision for the payment of such cost has not otherwise been made, (2) to pay the principal of and the interest on outstanding wastewater bonds of the authority as the same shall become due and payable, (3) to meet any requirements of any resolution authorizing, or trust agreement securing, such bonds of the authority, (4) to pay all other reasonable and necessary expenses of the authority and of the representative policy board to the extent that such expenses are allocable to the wastewater activities of the authority and of the representative policy board. No such rate or charge shall be established until it has been approved by the representative policy board, after said board has held a public hearing at which all the users of the waterworks system or the wastewater system, the owners of property served or to be served and others interested have had an opportunity to be heard concerning such proposed rate or charge. The representative policy board shall approve such rates and charges unless it finds that such rates and charges will provide funds in excess of the amounts required for the purposes described previously in this section, or unless it finds that such rates and charges will provide funds insufficient for such purposes. The rates or charges so established for any class of users or property served shall be extended to cover any additional premises thereafter served which are within the same class, without the necessity of a hearing thereon. Any change in such rates or charges shall be made in the same manner in which they were established. The rates or charges levied upon any customer of any water supply system acquired pursuant to subsection (d) of section 11 of special act 77-98, as amended by section 5 of special act 78-24, [and] section 3 of special act 84-46 and this act or served pursuant to a cooperative agreement pursuant to subsection (m) of said section 11 shall not be required to be equalized with the

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authority's existing rates, but may be set on a separate basis, provided such rates are just, equitable and nondiscriminatory. Such rates or charges, if not paid when due, shall constitute a lien upon the premises served and a charge against the owners thereof, which lien and charge shall bear interest at the same rate as would unpaid taxes. Such lien shall take precedence over all other liens or encumbrances except taxes and may be foreclosed against the lot or building served in the same manner as a lien for taxes, provided all such liens shall continue until such time as they shall be discharged or foreclosed by the authority without the necessity of filing certificates of continuation, but in no event for longer than ten years. The amount of any such rate or charge which remains due and unpaid for thirty days may, with interest thereon at the same rate as unpaid taxes and with reasonable attorneys' fees, be recovered by the authority in a civil action in the name of the authority against such owners. Any municipality shall be subject to the same rate or charges under the same conditions as other users of [such] the water supply system or the wastewater system. The assets or the revenues of the water system shall not be available to satisfy debts, judgments or other obligations arising out of the operation of the wastewater system and the assets or the revenues of the wastewater system shall not be available to satisfy debts, judgments or other obligations arising out of the operation of the water system.

- Sec. 10. Subsection (a) of section 15 of special act 77-98, as amended by section 7 of special act 99-12, is amended to read as follows (*Effective from passage*):
 - (a) The representative policy board shall establish an office of consumer affairs to act as the advocate for consumer interests in all matters which may affect consumers, including without limitation matters of rates, water quality and supply and wastewater service quality. The costs of such office of consumer affairs, unless otherwise provided by the state, shall be paid by the authority.
- 388 Sec. 11. Section 16 of special act 77-98 is amended to read as follows

389 (*Effective from passage*):

All contracts in excess of [five] <u>fifty</u> thousand dollars for any supplies, materials, equipment, construction work or other contractual services shall be in writing and shall be awarded upon sealed bids or proposals made in compliance with a public notice duly advertised by publication at least ten days before the time fixed for opening said bids or proposals, except for contracts for professional services, when the supplies, materials, equipment or work can only be furnished by a single party or when the authority determines by a two-thirds vote of the entire authority that the award of such contract by negotiation without public bidding will be in the best interest of the authority. The authority may in its sole discretion reject all such bids or proposals or any bids received from a person, firm or corporation the authority finds to be unqualified to perform the contract, and shall award such contract to the lowest responsible bidder qualified to perform the contract.

Sec. 12. Subsection (b) of section 17 of special act 77-98 is amended to read as follows (*Effective from passage*):

(b) No member or employee of the representative policy board or of the authority shall accept or receive, directly or indirectly, from any person, firm or corporation to which any contract or purchase order may be awarded, by rebate, gift or otherwise, any [money, or any thing of value or any] promise, obligation or contract for future reward or compensation or any money or any thing of value in excess of ten dollars, provided the aggregate value of all such things provided by a donor to a recipient in any calendar year shall not exceed fifty dollars and, excluding any food or beverage or food and beverage, costing less than fifty dollars in the aggregate per recipient in a calendar year, and consumed on an occasion or occasions at which the person paying, directly or indirectly, for the food or beverage, or his representative, is in attendance. Any person who violates any provision of this subsection shall be fined not more than five hundred dollars or imprisoned for not more than six months or both.

Sec. 13. Section 18 of special act 77-98, as amended by section 7 of special act 78-24, is amended to read as follows (*Effective from passage*):

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- (a) Notwithstanding any other provision of sections 1 to 33, inclusive, of [this act] special act 77-98, as amended by special act 78-24, and this act, the authority shall not sell or otherwise transfer any unimproved real property or any interest or right therein, except for access or utility purposes, or develop such property for any use not directly related to a water supply function, other than for public recreational use not prohibited by section 25-43c of the general statutes, until the land use standards and disposition policies required by subsection (b) of this section have been approved by the representative policy board, unless the chief executive officer of the town or city in which such property is located has approved such sale, transfer or development in writing. The provisions of this section shall not apply to any portion of a wastewater system.
- (b) Within two years from the date it acquires all or part of a water supply system, the authority shall develop and submit to the representative policy board for approval (1) standards for determining the suitability of its real property for categories of land use, including which, if any, of its real property may be surplus with regard to the purity and adequacy of both present and future water supply, which, if any, may be desirable for specified modes of recreation or open space use and which may be suitable for other uses, giving due consideration to the state plan of conservation and development, to classification and performance standards recommended in the final report of the council on water company lands pursuant to subsection (c) of section 16-49c of the general statutes and to such other plans and standards as may be appropriate, and (2) policies regarding the disposition of its real property including identification of dispositions which are unlikely to have any significant effect on the environment. Prior to approving any standards or policies specified in this subsection, the representative policy board shall hold one or more public hearings to consider the proposed standards and policies. The proposed standards and policies shall be available for public

inspection in the offices of the authority from the date notice of such hearing is published. The authority may amend such standards and policies from time to time with the approval of the representative policy board, which shall hold public hearings if it deems such amendments substantial.

- (c) After approval of land use standards and disposition policies in the manner provided in subsection (b) of this section, the authority shall not sell or otherwise transfer any real property or any interest or right therein, except for access or utility purposes, or develop such property for any use not directly related to a water supply function, other than for public recreational use not prohibited by section 25-43c of the general statutes, without the approval of a majority of the weighted votes of all of the members of the representative policy board in the case of a parcel of twenty acres or less, and by three-fourths of the weighted votes of all of the members of said board in the case of a parcel in excess of twenty acres. The representative policy board shall not approve such sale or other transfer unless it determines, following a public hearing, that the proposed action (1) conforms to the established standards and policies of the authority, (2) is not likely to affect the environment adversely, particularly with respect to the purity and adequacy of both present and future water supply, and (3) is in the public interest, giving due consideration, among other factors, to the financial impact of the proposed action on the customers of the authority and on the municipality in which the real property is located.
- (d) Each request by the authority for approval pursuant to subsection (c) shall be accompanied by an evaluation of the potential impact of the proposed action for which approval is requested, which shall include: (1) A description of the real property and its environment, including its existing watershed function and the costs to the authority of maintaining such property in its current use; (2) a statement that the proposed action conforms to the land classification standards and disposition policies of the authority; (3) a detailed statement of the environmental impact of the proposed action and, if appropriate, of any alternatives to the proposed action, considering (A)

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direct and indirect effects upon the purity and adequacy of both present and future water supply, (B) the relationship of the proposed action to existing land use plans, including municipal and regional land use plans and the state plan of conservation and development, (C) any adverse environmental effects which cannot be avoided if the proposed action is implemented, (D) any irreversible and irretrievable commitments of resources which would be involved should the proposed action be implemented, and (E) any mitigation measures proposed to minimize adverse environmental impacts; except that for a sale or transfer identified in accordance with subsection (b) as being unlikely to have any significant effect on the environment, the authority may submit a preliminary assessment of the impact likely to occur in lieu of such detailed statement of environmental impact, and the representative policy board may, on the basis of such preliminary assessment, waive or modify the requirements for such detailed statement; and (4) a summary of the final evaluation and recommendation of the authority.

- (e) The representative policy board shall submit the evaluation required by subsection (d) of this section for comment and review, at least sixty days in advance of the public hearing, to the department of health, the department of planning and energy policy, the regional planning agency for the region, the chief executive officer of the city or town in which that real property is situated and other appropriate agencies, and shall make such evaluation available to the public for inspection. The decision of the representative policy board approving or disapproving the proposed action shall be published in a newspaper or newspapers having a general circulation within the district and copies of such decision shall be filed with the clerk of each town and city in the district.
- (f) Whenever the authority intends to sell or otherwise transfer any unimproved real property or any interest or right therein after approval by the representative policy board, the authority shall first notify in writing, by certified mail, return receipt requested, the commissioner of environmental protection and the legislative body of

the city or town in which such land is situated, of such intention to sell or otherwise transfer such property and the terms of such sale or other transfer, and no agreement to sell or otherwise transfer such property may be entered into by the authority except as provided in this subsection. (1) Within ninety days after such notice has been given, the legislative body of the city or town or the commissioner of environmental protection may give written notice to the authority by certified mail, return receipt requested, of the desire of the city, town or state to acquire such property and each shall have the right to acquire the interest in the property which the authority has declared its intent to sell or otherwise transfer, provided the state's right to acquire the property shall be secondary to that of the city or town. (2) If the legislative body of the city or town or the commissioner of environmental protection fails to give notice as provided in subdivision (1) or gives notice to the authority by certified mail, return receipt requested, that the city, town or state does not desire to acquire such property, the city or town or the state shall have waived its right to acquire such property in accordance with the terms of this subsection. (3) Within eighteen months after notice has been given as provided in subdivision (1) by the city or town or the state of its desire to acquire such property, the authority shall sell the property to the city or town or the state, as the case may be, or, if the parties cannot agree upon the amount to be paid therefor, the city or town or the state may proceed to acquire the property in the manner specified for redevelopment agencies in accordance with sections 8-128 to 8-133, inclusive, of the general statutes, provided property subject to the provisions of subsections (b) and (c) of section 25-32 of the general statutes shall not be sold without the approval of the department of health. (4) If the city or town or the state fails to acquire the property or to proceed as provided in said sections within eighteen months after notice has been given by the city or town or the state of its desire to acquire the property, such city or town or the state shall have waived its rights to acquire such property in accordance with the terms of this subsection. (5) Notwithstanding the provisions of section 21 of [this act] special act 77-98, as amended by section 8 of special act 78-24 and

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this act, the authority shall not be obligated to make payments in lieu of taxes on such property for the period from the date the city or town gives notice of its desire to acquire such property to the date it either acquires or waives its right to acquire such property. (6) Notwithstanding the provisions of subdivision (4) if the authority thereafter proposes to sell or otherwise transfer such property to any person subject to less restrictions on use for a price less than that offered by the authority to the city or town and the state, the authority shall first notify the city or town and the commissioner of environmental protection of such proposal in the manner provided in subdivision (1), and such city or town and the state shall again have the option to acquire such property and may proceed to acquire such property in the same manner and within the same time limitations as are provided in subdivisions (1) to (4), inclusive, of this subsection. (7) The provisions of this subsection shall not apply to transfers of real property from the authority to any public service company. (8) A copy of each notice required by this subsection shall be sent by the party giving such notice to the clerk of the town or city in which the real property is situated and such clerk shall make all such notices part of the appropriate land records.

- (g) Nothing contained in this section shall be construed to deprive the state department of health of its jurisdiction under section 25-32 of the general statutes. The authority shall notify the state commissioner of health of any proposed sale or other transfer of land, or change of use as required by said section.
- (h) The authority shall use the proceeds of any sale or transfer under this section solely for capital improvements to its remaining properties, acquisition of real property or any interest or right therein, retirement of debt or any combination of such purposes.
- (i) The provisions of this section shall apply to any unimproved real property or any interest or right therein <u>related to the water supply system</u> whether owned or possessed by the authority or by any subsidiary corporation.

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592 Sec. 14. Section 19 of special act 77-98 is amended to read as follows 593 (*Effective from passage*):

The authority shall not acquire, by purchase, lease or otherwise, any existing water supply system or parts thereof, any wastewater system or parts thereof or commence any project costing more than [three] two million dollars to repair, improve, construct, reconstruct, enlarge and extend any of its properties or systems without the approval, following a public hearing, of a majority of the total weighted votes of the membership of the representative policy board. In the case of the first acquisition by the authority of an existing water supply system or part thereof, after such approval by the representative policy board the authority shall file with the town clerk of each city and town in the district its plan for such acquisition. The legislative body of each such city and town shall approve or disapprove such acquisition plan within sixty days after such filing, provided failure to disapprove within such sixty days shall be deemed approval of such acquisition plan. The authority shall not first acquire an existing water supply system or part thereof except in accordance with an acquisition plan approved by at least sixty per cent of such legislative bodies.

Sec. 15. Subsection (a) of section 21 of special act 77-98, as amended by section 8 of special act 78-24, is amended to read as follows (*Effective from passage*):

(a) Neither the authority nor a subsidiary corporation shall be required to pay taxes or assessments upon any of the properties acquired by it or under its jurisdiction, control or supervision, provided in lieu of such taxes or assessments the authority shall make annual payments to each municipality in which it or a subsidiary corporation owns property related to the water supply system equal to the taxes which would otherwise be due for the property of the authority or such subsidiary corporation in such municipality, excluding any improvements made to or constructed on any such real property by the authority or such subsidiary corporation, provided land owned by the authority or a subsidiary corporation related to the

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water supply system shall be assessed in accordance with section 12-63 of the general statutes, and provided further payments for property acquired by the authority or a subsidiary corporation during any tax year shall be adjusted for such fractional year in accordance with the customary practice in such municipality for adjusting taxes between the buyer and seller of real property. In addition, the authority or a subsidiary corporation shall reimburse each such municipality for its expenses in providing municipal services to any improvements made to or constructed on any real property by the authority or such subsidiary corporation within such municipality. As used in this section, "improvements" does not include water pipes or improvements to water pipes.

- Sec. 16. Section 22 of special act 77-98 is amended to read as follows (*Effective from passage*):
 - (a) The authority, subject to the approval of the representative policy board, shall have the power and is authorized from time to time to issue its negotiable bonds for any of its corporate purposes, including incidental expenses in connection therewith, and to secure the payment of the same by a lien or pledge covering all or part of its contracts, earnings or revenues. The authority shall have power from time to time, whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds within the terms of any refunding provisions of its bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any of its public purposes. Except as may be otherwise expressly provided by the authority, every issue of bonds by the authority shall be preferred obligations, taking priority over all other claims against the authority, including payments in lieu of taxes to any municipality, and payable out of any moneys, earnings or revenues of the authority, subject only to any agreements with the holders of particular bonds pledging any particular moneys, earnings or revenues. Notwithstanding the fact that the bonds may be payable from a special fund, if they are otherwise of such form and character as to be negotiable instruments under the terms of the uniform

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commercial code, the bonds shall be negotiable instruments within the meaning of and for all the purposes of the uniform commercial code, subject only to the provisions of the bonds for registration.

(b) The bonds shall be authorized by resolution of the authority and shall bear such date or dates, mature at such time or times, not exceeding forty years from their respective dates, bear interest at such rates per annum, not exceeding statutory limitations, be payable at such times, be in such denomination, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America, at such place or places, and be subject to such terms of redemption as such resolution or resolutions may provide. All bonds of the authority shall be sold through a negotiated sale or a public sale [upon sealed bids] to the bidder who shall offer the lowest [net interest] cost to the authority, to be determined by the authority. [The notice of sale shall be published at least once, not less than ten nor more than forty days before the date of sale, in a financial newspaper circulated in the state of Connecticut and the city of New York and designated by the authority. The notice shall call for the receipt of sealed bids and shall fix the date, time and place of sale.]

(c) Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions which shall be a part of the contract with the holders of the bonds thereby authorized as to (1) pledging all or any part of the moneys, earnings, income and revenues derived from all or any part of the properties of the authority to secure the payment of the bonds or of any issue of the bonds subject to such agreement with the bondholders as may then exist; (2) the rates, rentals, fees and other charges to be fixed and collected and the amounts to be raised in each year thereby, and the use and disposition of the earnings and other revenues; (3) the setting aside of reserves and the creation of sinking funds and the regulation and disposition thereof; (4) limitations on the rights of the authority to restrict and regulate the use of the properties in connection with which such bonds are issued; (5) limitations on the purposes to which, and the manner in

which, the proceeds of sale of any issue of bonds may be applied; (6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds; (7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given; (8) the creation of special funds into which any earnings or revenues of the authority may be deposited; (9) the terms and provisions of any trust deed or indenture securing the bonds or under which bonds may be issued; (10) definitions of the acts or omission to act which shall constitute a default in the obligations and duties of the authority to the bondholders and providing the rights and remedies of the bondholders in the event of such default, including as a matter of right the appointment of a receiver, provided such rights and remedies shall not be inconsistent with the general laws of this state; (11) limitations on the power of the authority to sell or otherwise dispose of its properties; (12) any other matters, of like or different character, which in any way affect the security or protection of the bonds; and (13) limitations on the amount of moneys derived from the properties to be expended for operating, administrative or other expenses of the authority.

(d) The authority may obtain from a commercial bank or insurance company a letter of credit, line of credit or other liquidity facility or credit facility for the purpose of providing funds for the payments in respect of bonds, notes or other obligations required by the holder thereof to be redeemed or repurchased prior to maturity or for providing additional security for such bonds, notes or other obligations. In connection therewith, the authority may enter into reimbursement agreements, remarketing agreements, standby bond purchase agreements and any other necessary or appropriate agreements. The authority may pledge all or any part of the moneys, earnings, income and revenues derived from all or any part of the properties of the authority and any other property which may be

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pledged to bondholders to secure its payment obligations under any agreement or contract entered into pursuant to this section subject to such agreements with the bondholders as may then exist.

(e) In connection with or incidental to the carrying of bonds or notes or in connection with or incidental to the sale and issuance of bonds or notes, the authority may enter into such contracts to place the obligation of the authority, as represented by the bonds or notes, in whole or in part, on such interest rate or cash flow basis as the authority may determine, including without limitation, interest rate swap agreements, insurance agreements, forward payment conversion agreements, futures contracts, contracts providing for payments based on levels of, or changes in, interest rates or market indices, contracts to manage interest rate risk, including without limitation, interest rate floors or caps, options, puts, calls and similar arrangements. Such contracts shall contain such payment, security, default, remedy and other terms and conditions as the authority may deem appropriate and shall be entered into with such party or parties as the authority may select, after giving due consideration, where applicable, for the creditworthiness of the counter party or counter parties. The authority may pledge all or any part of the moneys, earnings, income and revenues derived from all or any part of the properties of the authority and any other property which may be pledged to bondholders to secure its payment obligations under any agreement or contract entered into pursuant to this section subject to such agreements with the bondholders as may then exist.

[(d)] (f) It is the intention of the general assembly that any pledge of earnings, revenues or other moneys made by the authority shall be valid and binding from the time when the pledge is made; that the earnings, revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether such parties have notice thereof.

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Neither the resolution nor any other instrument by which a pledge is created need be recorded.

- [(e)] (g) Neither the members of the authority nor any person executing the bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.
- [(f)] (h) The authority shall have the power out of any funds available to purchase, as distinguished from the power of redemption above provided, any bonds issued by it at a price of not more than the principal amount thereof and accrued interest, and all bonds so purchased shall be cancelled.
- [(g)] (i) In the discretion of the authority, the bonds may be secured by a trust indenture by and between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of any law, including covenants setting forth the duties of the authority in relation to the construction, maintenance, operation, repair and insurance of the properties and the custody, safeguarding and application of all moneys, and may provide that the properties shall be constructed and paid for under the supervision and approval of consulting engineers. The authority may provide by such trust indenture or other depository for the methods of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out such trust indenture may be treated as part of the cost of maintenance, operation and repair of the properties. If the bonds are secured by a trust indenture, bondholders shall have no authority to appoint a separate trustee to represent them.
- [(h)] (j) Notwithstanding any other provision of sections 1 to 33, inclusive, of [this act] special act 77-98, as amended by special act 78-24, special act 84-46 and this act, any resolution or resolutions

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authorizing bonds or notes of the authority shall contain a covenant by the authority that it will at all times maintain rates, fees, rentals or other charges sufficient to pay, and that any contracts entered into by the authority for the sale and distribution of water or the collection of wastewater shall contain rates, fees, rentals or other charges sufficient to pay, the cost of operation and maintenance of the properties and the principal of and interest on any obligation issued pursuant to such resolution or resolutions as the same severally become due and payable, and to maintain any reserves or other funds required by the terms of such resolution or resolutions.

[(i)] (k) If any officer of the authority whose signature or a facsimile of whose signature appears on any bonds or coupons ceases to be such officer before delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes as if he had remained in office until such delivery.

Sec. 17. Section 23 of special act 77-98 is amended to read as follows (*Effective from passage*):

The authority shall have the power and is authorized to issue negotiable [bond anticipation] notes and may renew the same from time to time, but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from date of issue of such original note. Such notes shall be paid from any moneys of the authority available therefor and not otherwise pledged or from the proceeds of the sale of the bonds of the authority in anticipation of which they were issued. The notes shall be issued and may be secured in the same manner as the bonds and such notes and the resolution or resolutions authorizing such notes may contain any provisions, conditions or limitations which the bonds or a bond resolution of the authority may contain. Such notes shall be as fully negotiable as the bonds of the authority.

Sec. 18. Section 29 of special act 77-98 is amended to read as follows (Effective from passage):

Insofar as the provisions of sections 1 to 33, inclusive, of [this act] special act 77-98, as amended by special act 78-24 and this act, are inconsistent with the provisions of any other general or special act or any municipal ordinance, the provisions of sections 1 to 33, inclusive, of [this act] special act 77-98, as amended by special act 78-24 and this act, shall be controlling; provided nothing contained in sections 1 to 33, inclusive, of [this act] special act 77-98, as amended by special act 78-24, special act 84-46 and this act, shall exempt the authority from compliance with zoning regulations lawfully established by any municipality, except that the plants, structures and other facilities of the water supply system or the wastewater system owned or operated by the authority shall be permitted uses in all zoning districts in every city, town or borough within the district; and provided further that the authority may not construct purification or filtration plants or wastewater treatment plants in any zoning district in which such use is not permitted under local zoning regulations without first obtaining approval of the proposed location of such facility from the representative policy board following a public hearing.

Sec. 19. Section 30 of special act 77-98, as amended by section 10 of special act 78-24, is amended to read as follows (*Effective from passage*):

(a) The authority or any person who is aggrieved by a decision of the representative policy board with respect to the establishment of rates or charges, the establishment of land use standards and disposition policies, the sale or other transfer or change of use of real property, the location of purification, [or] filtration or wastewater treatment plants, the commencement of any project costing more than [one] two million dollars to repair, improve, construct, reconstruct, enlarge or extend any of the properties or systems of the authority or the acquisition by purchase, lease or otherwise of any existing water supply system, wastewater system or part thereof, other than the purchase of all or any part of the properties and franchises of the New Haven Water Company, is entitled to [judicial] review [under] by the Superior Court as provided in this section. For the purposes of this section the holders of any bonds or notes of the authority and any

859 trustee acting on behalf of such holders shall be deemed aggrieved 860 persons with respect to any decision of the representative policy board which violates any covenant or other provision of the resolution or 862 resolutions authorizing such bonds or notes.

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- (b) Proceedings for review shall be instituted by filing a petition in the [court of common pleas] Superior Court for the judicial district of New Haven [County] within [thirty] forty-five days after publication of the decision of the representative policy board or, if a rehearing is requested, within [thirty] forty-five days after the decision thereon. Copies of the petition shall be served upon the representative policy board and published in a newspaper or newspapers having a general circulation in each town or city comprising the district.
- (c) The filing of the petition shall not of itself stay enforcement of the decision of the representative policy board. The representative policy board may grant, or the reviewing court may order, a stay upon appropriate terms, provided enforcement of a decision respecting the establishment of rates or charges may be stayed only after issuance of a judgment for the appellant by the reviewing court.
- (d) Within thirty days after service of the petition, or within such further time as may be allowed by the court, the representative policy board shall transmit to the reviewing court the original or a certified copy of the entire record of the proceeding under review, which shall include the representative policy board's findings of fact and conclusions of law, separately stated. By stipulation of all parties to the review proceedings, the record may be shortened. A party unreasonably refusing to stipulate to limit the record may be taxed by the court for the additional costs. The court may require or permit subsequent corrections or additions to the record.
- (e) If, before the date set for hearing, application is made to the court for leave to present additional evidence, and it is shown to the satisfaction of the court that the additional evidence is material and that there were good reasons for failure to present it in the proceeding

before the representative policy board, the court may refer the case back to the board with instructions to take such evidence as the court directs. The representative policy board may modify its findings and decision by reason of the additional evidence and shall file that evidence and any modifications, new findings, or decisions with the reviewing court.

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- (f) The review shall be conducted by the court without a jury and shall be confined to the record. In cases of alleged irregularities in procedure before the representative policy board, not shown in the record, proof thereon may be taken in the court. The court, upon request, shall hear oral argument and receive written briefs.
- (g) The court shall not substitute its judgment for that of the representative policy board as to the weight of the evidence on questions of fact. The court [may] shall affirm the decision of the representative policy board [or remand the case for further proceedings. The court may reverse or modify the decision if unless the court finds that the substantial rights of the appellant have been prejudiced because the representative policy board's findings, inferences, conclusions, or decisions are: (1) In violation of constitutional provisions, the general statutes or the provisions of this or another special act; (2) in excess of the authority of the representative policy board; (3) made upon unlawful procedure; (4) affected by other error of law; (5) clearly erroneous in view of the reliable probative, and substantial evidence on the whole record; or (6) arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion. If the court finds such prejudice, it shall sustain the appeal and, if appropriate, may render a judgment under subsection (h) of this section or remand the case for further proceedings.
- 920 (h) If a particular representative policy board action is required by
 921 law, the court, on sustaining the appeal, may render a judgment that
 922 modifies the representative policy board decision, orders the
 923 representative policy board action, or orders the representative policy

924 board to take such action as may be necessary to effect the particular 925 action.

[(h)] (i) In any case in which an aggrieved party claims that he cannot pay the costs of an appeal under this section and will thereby be deprived of a right to which he is entitled, he shall, within the time permitted for filing the appeal, file with the clerk of the court to which the appeal is to be taken an application for waiver of payment of such fees, costs and necessary expenses, including the requirements of bond, if any. The application shall conform to the requirements of section 28A of the Practice Book. After such hearing as the court determines is necessary, the court shall enter its judgment on the application, which judgment shall contain a statement of the facts the court has found, with its conclusions thereon. The filing of the application for the waiver shall toll the time limits for the filing of an appeal until such time as a judgment on such application is entered.

[(i)] (j) Neither the authority nor the representative policy board shall be construed to be an agency within the scope of chapter 54 of the general statutes.

942 Sec. 20. Section 12 of special act 78-24 is amended to read as follows 943 (*Effective from passage*):

Neither the members of the authority, [nor] any person acting in its behalf nor any member or employee of the representative policy board, while acting within the scope of their authority shall be subject to any personal liabilities resulting from the erection, construction, reconstruction, maintenance or operation of the properties or any of the improvements of the authority or a subsidiary corporation or resulting from carrying out any of the powers expressly given in special act 77-98, as amended by [this act] special act 78-24, special act 84-46, special act 99-12 and this act."

This act shall take effect as follows:	
Section 1	from passage

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Sec. 13	from passage
Sec. 14	from passage
Sec. 15	from passage
Sec. 16	from passage
Sec. 17	from passage
Sec. 18	from passage
Sec. 19	from passage
Sec. 20	from passage